

RESOLUTION NO. 77-80

BLUE RIDGE SEWER IMPROVEMENT DISTRICT
ASSESSMENT AREA 5B1

RESOLUTION ORDERING THE SALE OF BLUE RIDGE SEWER IMPROVEMENT DISTRICT, ASSESSMENT AREA 5B1, BONDS OF 1980 IN THE AGGREGATE PRINCIPAL AMOUNT OF \$425,000.

WHEREAS, the Blue Ridge Sewer Improvement District (the "District") is a duly organized and existing improvement district under the laws of the State of Arizona established pursuant to order of the Board of Supervisors of Navajo County, Arizona on October 24, 1978;

WHEREAS, the Board of Directors of the District have heretofore adopted a Resolution of Intention to order certain improvements within Assessment Area 5B1, which Resolution of Intention provides, among other things, for the issuance of bonds pursuant to Article 1.1 of Chapter 5 of Title 11 of the Arizona Revised Statutes;

WHEREAS, following the posting and publication of notice of adoption of the Resolution of Intention and publication of the Resolution of Intention, the Board of Directors adopted an order directing that the work be done;

WHEREAS, a diagram of Assessment Area 5B1 and assessment has been recorded, confirmed and a Treasurer's return filed evidencing payment of any assessment;

WHEREAS, the District has not previously issued bonds or other obligations payable from assessments with respect to property within Assessment Area 5B1; and

WHEREAS, the District now desires to proceed to issue and sell not to exceed \$425,000 of its bonds to finance the cost of the improvements described in the Resolution of Intention and the order directing that the work be done.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Blue Ridge Sewer Improvement District, Navajo County, Arizona that not to exceed \$425,000 principal amount of Blue Ridge Sewer Improvement District, Assessment Area 5B1, Bonds of 1980, be sold in accordance with the Notice Inviting Proposals For Purchase of Bonds hereto

attached. The Clerk is directed to execute the Notice and to cause the same to be published one time in the Pinetop Lakeside News published by The White Mountain Independent.

Adopted this 18th day of August, 1980.

Norman H. Furling
Chairman

Attest:

Sharon D. Jones
Clerk

NOTICE INVITING PROPOSALS FOR
PURCHASE OF BONDS

NOTICE IS HEREBY GIVEN that sealed proposals will be received by the Board of Supervisors of Navajo County, acting as the Board of Directors of the Blue Ridge Sewer Improvement District (the "District"), at the office of the Clerk of the Board of Supervisors at the Governmental Complex, Holbrook, Arizona 86025, to and including the hour of 9:00 A.M., M.S.T. on September 6, 1980, for the purchase of special assessment bonds of the District in the principal amount of \$425,000 to be designated Blue Ridge Sewer Improvement District, Assessment Area 5B1, Bonds of 1980 (the "Bonds"). The Bonds are being issued pursuant to Article 1.1, Chapter 5, Title 11, Arizona Revised Statutes, for the purpose of financing the installation of collector sewers, laterals and appurtenant devices within Assessment Area 5B1 of the District.

Each bid submitted must offer to purchase all of the \$425,000 principal amount of Bonds at not less than 95% of par plus accrued interest.

The Bonds are to be dated September 1, 1980, and will be issued in coupon form in the denomination of \$5,000 each with no provision for registration. Interest on the bonds will be payable semiannually on January 1 and July 1 of each year beginning January 1, 1982. Principal of and interest on the Bonds will be payable at the office of the Navajo County Treasurer in Holbrook, Arizona.

The Bonds will mature on July 1 in each of the years and in the amounts as follows:

<u>YEAR</u>	<u>PRINCIPAL AMOUNT</u>	<u>YEAR</u>	<u>PRINCIPAL AMOUNT</u>
1982	\$25,000	1987	\$45,000
1983	30,000	1988	50,000
1984	30,000	1989	50,000
1985	35,000	1990	55,000
1986	40,000	1991	65,000

REDUCTION IN PRINCIPAL AMOUNT OF BONDS: The aggregate principal amount of the Bonds to be issued is subject to reduction by the District prior to delivery in

the event of payment in cash of a portion of the assessments, acceptance by the District of a bid for the Bonds specifying a purchase price in excess of 95% of par plus accrued interest or as a result of reduction in the estimated costs of constructing the improvements to be financed from the proceeds of the Bonds. In the event of a reduction in the aggregate principal amount of Bonds to be issued, the principal amount of the Bonds maturing in each of the years set forth above is subject to proportionate reduction, to the extent possible, commencing with the final maturity of the Bonds. The determination by the Board of Directors of the District as to the principal amounts and maturities to be reduced shall be final.

PRIOR REDEMPTION: The Bonds are not subject to redemption prior to maturity except from prepayments of the assessments securing the Bonds.

In the event of the receipt of prepayments sufficient to call one or more Bonds, such Bonds shall be called for redemption on an interest payment date at a redemption price equal to the par amount thereof, plus a redemption premium equal to five percent of the principal amount thereof, together with interest to the redemption date. Bonds to be redeemed shall be the lowest numbered Bond of the maturity midway to the end of the term of the Bonds. Successive Bonds shall be chosen from the lowest number of each maturity on either side thereof, so that Bonds called for redemption shall be a pro rata part of each maturity after the maturity for which a levy of the special assessment has been posted to the tax rolls of the County.

SECURITY: The Bonds are payable from special assessments levied against all of the real property benefited by the improvements to be financed from the proceeds of the Bonds and located within Assessment Area 5B1 of the District. No other sources of moneys will be available for the payment of the Bonds. The special assessments are due and payable at the same time as County ad valorem taxes, are subject to the same collection procedures as general County ad valorem taxes and are payable in installments which, in the aggregate, will be sufficient in amounts to pay maturing principal and interest on the Bonds. The Bonds are not general obligations of the District, Navajo County, the State of Arizona or any political subdivision thereof.

INTEREST RATES: Bidders are invited to name the rates of interest which the Bonds are to bear. The maximum interest rate per maturity shall not exceed ten percent (10%). All Bonds maturing on the same date must have interest at the same rate from their date to such maturity.

GOOD FAITH DEPOSIT: All bids must be accompanied by a certified check, drawn on a bank doing business in the State of Arizona, payable to the order of the Navajo County Treasurer in the amount of Eight Thousand Five Hundred Dollars (\$8,500.00). No interest will be paid on the check of any bidder. The check of the successful bidder will be applied to the purchase price of the Bonds or retained and forfeited as liquidated damages in the event such bidder does not take up and pay for the Bonds immediately upon their issuance. All checks of the unsuccessful bidders will be returned upon the award of the Bonds to the successful bidder.

RIGHT OF REJECTION: The Board of Directors of the District reserves the right in its discretion to reject any and all bids received and to waive any irregularity or informality in the bids, except that the time for receiving bids shall be of the essence.

AWARD OF BONDS: Unless all bids are rejected, the Bonds will be awarded to the bidder whose proposal results in the lowest net interest cost to the District, which will be determined by computing the aggregate amount of interest payable on the Bonds from September 1, 1980 to their respective maturities. Delivery of the Bonds will be made to the purchaser upon payment in Federal Funds at the offices of O'Connor, Cavanagh, Anderson, Westover, Killingsworth & Beshears, P.A., Phoenix, Arizona or at any other place mutually agreeable to the District and the purchaser.

LEGAL OPINION: These Bonds are sold subject to the approval of legality by Messrs. O'Connor, Cavanagh, Anderson, Westover, Killingsworth & Beshears, P.A., Phoenix, Arizona. Said attorneys have been retained by the District as Bond Counsel and in such capacity are to render their opinion upon the legality of the Bonds under Arizona law and that the interest income on such Bonds is exempt from Federal and State of Arizona income taxes, the delivery of said opinion being a condition precedent to the delivery of the Bonds and the purchase thereof by the successful bidders. Fees of Bond Counsel will be paid from Bond proceeds.

CERTIFICATES AND ADDITIONAL OPINION TO BE DELIVERED: The District will deliver a certificate showing that no litigation is pending affecting the issuance and sale of the Bonds. John G. Gliege, Esq., Scottsdale, Arizona, Counsel to the District will deliver an opinion to the purchaser to the effect that, as of the date of delivery of the Bonds, no facts have come to his attention which leads him to believe that the Official Statement of the District

relating to the Bonds contains any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

COMPLIANCE WITH ARIZONA SECURITIES LAWS: A copy of this Notice, the Official Statement and certain other documents have been filed with the Arizona Corporation Commission in accordance with the requirements of Section 44-1843.01.A., Arizona Revised Statutes. Delivery of the Bonds is contingent upon satisfaction of the requirements of Arizona Law relating to registration of the Bonds with the Arizona Corporation Commission. The successful bidder shall be required to represent to the District and to the Arizona Corporation Commission that a copy of the Official Statement of the District relating to the Bonds will be provided to each investor purchasing any of the Bonds from such bidder. The District shall provide fifty (50) copies of the Official Statement without cost to the successful bidder.

ADDITIONAL INFORMATION: Copies of the Notice Inviting Proposals for Purchase of Bonds and of the Official Statement relating to the Bonds will be furnished to any prospective bidder upon request made to Young, Smith & Peacock, Inc., 3443 North Central Avenue, Phoenix, Arizona, Financing Consultants to the District.

Dated: Aug. 19, 1980.

Sharon D. Keene
Clerk, Blue Ridge Sewer
Improvement District